

This is a supplement to the 2011 TAEP Cost Share Application booklet. It is intended to assist producers with completing Producer Diversification Application B and proposal.

## 1. APPLICANT INFORMATION

### Name

Enter your full legal name. If you are more commonly known by a nickname, please indicate it in parentheses (nickname) next to your legal name. Indicate your title and any suffix you may have. Note: The name you list on Application B must match the name you list on your Substitute W-9 form.

Important: Applicant name must match name on educational certifications, permits, premises registration, and property records, where required for eligibility.

### Social Security Number (SSN) or Federal Tax Identification Number (EIN)

Enter your preferred taxpayer identification number – please list only one. Note: This number must match the tax number listed on your Substitute W-9 form.

### Applicant Mailing Address

Enter the address where you receive your mail. TAEP documentation will be sent to this address. This address may be different than your home or farm address. Note: This address must match the address you list on your Substitute W-9 form.

### Applicant Residential Address

Enter the address where you live. This address may be the same as your mailing or farm address.

### Home Phone

Enter number, including area code.

### Cell Phone

Enter number, including area code.

### E-mail Address

Please print clearly.

## 2. FARM/PREMISES INFORMATION

Applicants with livestock must register their premises with the Tennessee Department of Agriculture (TDA).

The premises account number is tied to the individual; the premises id number is tied to the farm address. An individual can have multiple premises id numbers if they have multiple farm locations.

Premises registration forms and instructions are also available from TDA by calling (615) 837-5120 or on-line at [www.tn.gov/agriculture/regulatory/livestock.html](http://www.tn.gov/agriculture/regulatory/livestock.html).

**Premises Account Number**

Enter your premises account number.

**Premises ID Number (PIN)**

Enter your unique 7-character alphanumeric identification.

**Farm Address of TAEF Project**

Enter the physical address of your farm(s) where your project(s) will be.

The premises id address must match the farm address listed on the application. If you are applying for more than one program and have multiple PIN/farm addresses, please indicate which PIN/farm address will be used for each program.

**Property Ownership**

Indicate whether you own or lease your farm property.

Land ownership is required for programs where permanent structures will be built. Applicant name must match name on property record when land ownership is required.

**Farm County**

Indicate the county where your farm is located.

**3. INDUSTRY SECTOR**

Indicate primary sector that applies to your cost share request.

**4. PRIORITY AREAS**

Indicate if you meet or plan to meet, special requirements for 50% cost share. Certification must be completed by the applicant. No substitutions, such as farm managers or relatives, are allowed. See page 17 for additional information regarding qualifying purchases for Agritourism and Fruits and Vegetables.

The four priority areas for 2011 include:

- Agritourism – must have attended (2) eligible events (Agritourism Conference, Direct Marketing Sense Course, Agritourism/Direct Marketing Workshop, Agritourism Bus Tour), sponsored by TDA/UT, prior to reimbursement deadline. One event MUST be an Agritourism Conference or Direct Marketing Sense Course.
- Fruits and Vegetables – must have attended (1) GAP Food Safety Workshop or GAP Mock Audit, prior to reimbursement deadline.
- Honey Bees – achieve certification through UT Master Bee Hobbyist course, prior to reimbursement deadline.
- Organics – must be USDA certified or working towards certification to qualify. Applicant must be certified at time of reimbursement.

**5. APPLICATION PROPOSAL**

*Proposals must be typed in requested format and no longer than five pages in length, excluding cost quotes.*

**1) Briefly describe your agricultural operation.**

**a. Industry sector(s)/type of business**

*List the industry sector(s) that you are primarily involved in. If you have a diversified farm, list all sectors that you are involved in (cattle, vegetables, field crops, agritourism, nursery, aquaculture, etc.)*

**b. Years in production agriculture business. If you are involved in an agritourism or other business as well, list years involved in that sector separately.**

*You should list years that you have been involved in the food and fiber production agriculture business. Then, if you have an agritourism enterprise, list the years involved in that business separately. If you have not been involved in a sector for one year or more, list the amount of time involved in months.*

**c. Number of employees - full, part-time, seasonal**

*List the number of paid employees first. If this is a family business that many family members are involved but may not be paid employees, please list the number of those individuals separately.*

**d. Acreage in production**

*Acreage in production agriculture (crops or production livestock)*

**e. Sales income from on-farm production agriculture– based on sales for the last 3 years ( 2008, 2009, 2010)**

*List the income generated from production agriculture crops and/or livestock raised on your farm.*

**f. Sales income from other products/services – based on sales for the last 3 years (2008, 2009, 2010)**

*List income generated from other products that may be sourced off-farm for resale or services that may be provided on the farm (**examples:** Income from an on-farm store, Agritourism events)*

**g. Types of products produced – currently and previously**

*List any products that were part of your business in the past, and what you produce today.*

**h. Indicate any expansions or downsizing – past, present, future**

*If your business has changed over the years, list any large changes in how you make a living in agriculture.*

- 2) If you have applied for TAEP cost share previously, list each cost share received in the format provided below.**

<b>Fiscal Year</b>	<b>Program</b>	<b>Project Description</b>	<b>\$ Allocated/\$ Paid</b>
FY07-08	Producer Diversification	Greenhouse	\$ 5,600 / \$ 5,485

- 3) Describe your proposed cost share project(s).**

- a. List each proposed project (e.g., greenhouse, retail shelter, sprayer, web site)**

*Include what the proposed project is and what products or services will be provided using that project.*

- b. List projected increase in annual income generated for the next three years as a result of your project(s)**

*The projected increase should be the amount that you expect income to increase as a result of that project specifically. Do not list the projected total income from your entire operation.*

- c. Explain how each project will improve or expand your operation**

*Explanation should provide plenty of detail of why this project will increase the ability of your operation to generate income. Include one to two full paragraphs.*

- d. Indicate whether you had help in planning this project from a county extension agent, industry expert, specialized group or association. List key individuals and their titles.**

*Self Explanatory*

- 4) Outline the steps and timeline for completing your project(s) by program deadline of 05/01/12.**

*The timeline should be completed in a month by month format and list specific parts of the project or duties involved with the project that will be completed in each month leading up to the 05/01/12 program deadline.*

- 5) Summarize your marketing plan for your diversified agricultural products.**

- a. List how and where your products are or will be sold**

*List different outlets where your products are sold (wholesale, retail farm stand, farmers markets, etc.)*

- b. **Specify marketing activities that are currently utilized in your operation (e.g., auctions/organized sales, brochures, e-commerce, print media, radio, signs, television, Web site, etc.)**

*Indicate how your business is promoted to the public. Elaborate on specific activities that you utilize in your promotions.*

- c. **Competitive advantage – What sets your product apart from your competitors?**

*This is an important business concept. Explain why customers buy your product. Is it because of your service, convenience, price, product differentiation, or others? Be wary of listing “quality” here. Most customers expect quality.*

**6) Provide a detailed, line-item budget for each proposed project using the format presented below.**

- a. **Research all costs associated with project(s). List each item and its cost on a separate line. Provide either the source of the cost quote with a phone number or attach a written cost estimate from the vendor, with complete contact information for the vendor.**

*All costs associated with the project should be properly researched and documented.*

- b. **Written cost estimates are required if projects are: large scale (e.g., greenhouse, retail shelter, restrooms), include many components (e.g., irrigation system), or involve contracted labor to construct.**

*If you are in doubt on whether a written quote is required, it is recommended to include written quotes from all vendors for projects. In general, if the project is in the categories of specialty equipment or marketing, a written quote is not required. However, if a project has several components like an irrigation system, a written quote is required.*

- c. **LABOR:** Labor is an eligible cost for infrastructure projects. In order to be eligible for cost share reimbursement, labor must be quoted and performed by a contractor. Labor is NOT eligible for reimbursement if performed by the applicant or their employees.

*Labor is eligible for construction of projects, such as retail shelters, greenhouses, educational pavilions, restrooms, and other similar infrastructure projects. For labor to be eligible, you must hire a contractor to perform the work. You can use current employees or hire new employees to complete the project; however, labor would not be reimbursable.*

- d. **PRIORITY COST SHARE (50%)** - applicant must meet special requirements for priority cost (50%).

*The three priority areas of Agritourism, Fruits & Vegetables, and Honey Bees require attendance and participation at educational events to qualify for the 50% cost share for specified items. If you are in*

*the Organics sector, you must be USDA Certified Organic to receive the 50% cost share. All four of these priority areas allow you to apply for cost share at the 50% level even if you have not yet completed the special requirements at the time you submit the application, but you must have completed them before the program deadline of May 1, 2012 to receive the 50% cost share. If not, you can still receive the base 35% cost share. You should contact our office or visit our website to learn of specific dates that qualifying events will be taking place to ensure that you are able to complete them.*

- e. The total amount of cost share requested cannot exceed the maximum of \$10,000 (35%) or \$15,000 (50%). Minimum reimbursement request is \$250.

***Producers should not apply for more (or less) than the maximum (or minimum) cost share available.***

<b>SAMPLE BUDGET FORMAT</b>				
<b>Item Description</b>	<b>Source of Cost Quote</b>	<b>Cost</b>	<b>Cost Share %</b>	<b>Cost Share Request</b>
Greenhouse 16 x 95	See attached written cost estimate - JR Construction	\$7,800.00	35%	\$2,730.00
Sign – vinyl banner	FedEx Kinko's 615-771-7999	\$225.00	50%	\$112.50
<b>Total Amount of Cost Share Requested:</b>				<b>\$2,842.50</b>

## 6. APPLICANT AGREEMENT

This section features several important bullet points regarding program participation. Read each line of text. Print your name and date. Sign your name.

## 7. HOW TO SUBMIT “APPLICATION B”

- Fill in all blanks and check appropriate boxes where requested.
- Attach application proposal and cost quotes.
- Attach Substitute W-9 form (page 20).
- NO FAXES OR EMAILS ACCEPTED - Applications are only accepted by mail or hand delivery.
- Applications are accepted during the application period (June 1 – 7, 2011) by mail or hand delivery. Applications received before or after the application period are ineligible.
- Applicants may only submit one Application B per premises or property, per household, per business, per application period.

Application B (Producer Diversification) cost share requests are evaluated on a competitive basis by industry sector. Only applications that are complete and include sufficient information will be considered for evaluation.

## Hand Delivery

Applications may be hand delivered to the TAEP office, which is located in the Holeman Building at the Ellington Agricultural Center. Include application proposal, cost quotes, and Substitute W-9 Form (pg. 20).

The physical address is: 440 Hogan Rd., Nashville, TN 37220

## Mail

Send Application B, along with application proposal, cost quotes, and Substitute W-9 Form (pg. 20) to:

TN Dept of Agriculture,  
Attn: TAEP 2011-B  
P.O. Box 40627  
Nashville, TN 37204

## Approval Notifications

Applicants will be notified in writing of approval or denial. Allow ten weeks for application processing.

### SUBSTITUTE W-9 FORM (Page 20)

This form is used to obtain the applicant's taxpayer identification number and certification. Submit this form along with Application B.

- 1. General Information:** Enter your legal name. Enter your mailing address. Reimbursement checks will be mailed to this address. *Mailing address should match mailing address provided on Application B.*
- 2. Circle the most appropriate category below:** Complete only one.
- 3. Fill in your taxpayer identification number below:** Complete only one. *Taxpayer identification number should match number provided on Application B.*
- 4. Sign and date the form:** Signature must match taxpayer name listed above.

Funds received as a result of TAEP reimbursement are taxable. Participants will receive Form 1099-G for payments over \$600.00.

